



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 407/10

Altus Group Ltd
17327 - 106A Avenue
Edmonton AB T5S 1M7

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held between August 23 and October 21, 2010 respecting a complaint for:

Roll Number 8973273	Municipal Address 4130 99 Street NW	Legal Description Plan: 7520780 Block: 2 Lot: 9
Assessed Value \$3,992,000	Assessment Type Annual – New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Dale Doan, Board Member
Mary Sheldon, Board Member

Board Officer:

Segun Kaffo

Persons Appearing: Complainant

Walid Melhem

Persons Appearing: Respondent

Stephen Leroux, Assessor
Veronika Ferenc, Law Branch

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to the file.

All parties giving evidence during the proceedings were sworn by the Board Officer.

PRELIMINARY MATTERS

The parties agreed that all evidence, submissions and argument on Roll # 8480097 would be carried forward to this file to the extent that matters were relevant to this file. In particular, the Complainant chose not to pursue arguments with respect to the evidence he had provided regarding the income approach to value.

The Complainant and the Respondent presented to the Board differing time adjustment figures for industrial warehouses based on the Complainant's submission that some data used in the preparation of the Respondent's time adjustment model was faulty. The Board reviewed the data from the Complainant used in the preparation of his time adjustment figures and was of the opinion that the data used was somewhat questionable (Exhibit C-2). In any event, the differences between the time adjustment charts used by the parties for industrial warehouses were small and in many cases of little significance. Therefore, the Board has accepted the time adjustment figures used by the Respondent.

BACKGROUND

The subject property is a medium warehouse built in 1968 and located in the Strathcona Industrial Park subdivision of the City of Edmonton. The property has a building area of 34,966 square feet with site coverage of 35%.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues were abandoned and only the following issues remained for the Board to decide:

- What is the typical market value of the subject property?
- Is the assessment of the subject property fair and equitable in comparison with similar properties?

LEGISLATION

The Municipal Government Act, R.S.A. 2000, c. M-26;

s.467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s.467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- a) the valuation and other standards set out in the regulations,*
- b) the procedures set out in the regulations, and*
- c) the assessments of similar property or businesses in the same municipality.*

POSITION OF THE COMPLAINANT

The Complainant submitted three equity comparables ranging in value from \$95.18 to \$108.08 per sq. ft. with an average assessment of \$101.71 per sq. ft. Comparables # 1 and # 3 are located on 99 Street and have assessment values of \$101.88 and \$108.08 respectively (C-3n, page 13).

The Complainant further submitted evidence of the sale of the subject in July 2008 at a time adjusted value of \$3,053,540 using the Complainant's time adjustment factor. The Complainant argued that the best comparable is the sale of the subject.

POSITION OF THE RESPONDENT

The Respondent submitted ten equity comparables ranging in value from \$117.29 to \$128.22 per sq. ft. suggesting that the assessment falls to the bottom of the range at \$114.17 per sq. ft. (R-3n, page 29).

The Respondent argued that the sale of the subject must be adjusted for a roof system replacement. The estimated cost to replace the roof system is \$250,000 although no supporting evidence was presented as to the actual or estimated cost.

The Respondent also submitted ten sales comparables placing most weight on the sales on 99 street similar to the subject. These sales ranged in value from \$114.29 to \$170.77 per sq. ft. Comparable sale # 10 sold in January 2009 for a time adjusted value of \$114.29 per sq. ft. similar to the subject.

DECISION

The decision of the Board is to confirm the assessment of the subject property at \$3,992,000.

REASONS FOR THE DECISION

The Board is of the opinion that the sale price of the subject would be the best comparable. However, less weight was placed on this sale as no definitive estimates were put forward regarding the needed roof system replacement, other than an estimate of roughly \$250,000.

The Board is also of the opinion that the subject property requires adjustments and supportive repair evidence to use as a support to the current assessment value.

The Board placed more weight on the Respondent's equity and direct sales comparables, particularly, two of the three sales on 99 street with values of \$114.29 and \$145.69 per sq. ft.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 25th day of October, 2010, at the City of Edmonton, in the Province of Alberta.

Presiding Officer

This Decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, R.S.A. 2000, c.M-26.

CC: Municipal Government Board
York Realty Inc.